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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the financial performance report for the period from 1 July 2000 to 30 June 2001 (A/56/822) and the proposed budget for the period from 1 July 2002 to 30 June 2003 (A/56/893) for the United Nations Interim Force in Lebanon (UNIFIL). During its consideration of the reports, the Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the Force, who provided additional information and clarifications.

2. UNIFIL was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for operations in southern Lebanon. The mandate of the Force has been extended by the Security Council in various resolutions, the latest being resolution 1391 (2002) of 28 January 2002, by which the Council extended the mandate of UNIFIL until 31 July 2002.

Financial performance report for the period from 1 July 2000 to 30 June 2001

3. By its resolution 54/267 of 15 June 2000, the General Assembly appropriated an amount of $146,833,694 gross ($141,899,841 net) for the maintenance of UNIFIL for the period from 1 July 2000 to 30 June 2001, inclusive of the amounts of $6,967,059 gross ($5,895,590 net) for the support account for peacekeeping operations and $1,089,216 gross ($969,161 net) for the United Nations Logistics Base at Brindisi, Italy. Subsequently, the Secretary-General submitted a report to the Security Council (S/2000/460) regarding the plans and requirements for the implementation of Council resolutions 425 (1978) and 426 (1978), including the proposed increase in troop strength from the level of 4,513 to approximately 5,600 and subsequently to approximately 7,935, in connection with the planned withdrawal of Israeli troops from Lebanon by July 2000. Accordingly, the

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Assembly, in its resolution 55/180 A of 19 December 2000, appropriated an additional amount of $86,758,400 gross ($86,301,300 net) for the provisional expansion of the Force.

4. Shortly after the adoption of resolution 55/180 A it was confirmed, however, that the budgeted deployment of two battalions early in 2001 would not occur. Furthermore, in view of the situation in the region, the Secretary-General proposed a reconfiguration of the Force, including a reduction in troop strength to the level prior to its augmentation in 2000. Therefore, the General Assembly by its resolution 55/180 B of 14 June 2001 decided to reduce the appropriation from the amount of $233,592,094 gross by $26,437,900, to $207,154,194 gross ($201,981,841 net) inclusive of the amounts of $6,967,059 gross ($5,895,590 net) for the support account and $1,089,216 gross ($969,161 net) for the Logistics Base.

5. As indicated in paragraphs 18 and 20 of the report (A/56/822), expenditures for the period from 1 July 2000 to 30 June 2001 totalled $183,811,094 gross ($179,058,941 net), inclusive of $77,782,000 in unliquidated obligations, resulting in savings of $23,343,100 gross ($22,922,900 net), or 11.3 per cent of the total appropriation of $207,154,194 gross. The unencumbered balance was due mainly to the termination of the expansion programme of the Force.

6. The Advisory Committee questions the appropriateness of including the amounts for the support account and the Logistics Base when calculating the percentage of unencumbered balance as against appropriation. The Committee has commented on this issue in its general report on peacekeeping operations (A/56/887).

7. The Advisory Committee was informed that troop-cost reimbursement from 1 December 1989 to 31 October 2001 totalled $1,019,717,840, while the amount owed for the period from 1 November 2001 to 28 February 2002 was $16,650,969. As regards contingent-owned equipment, the Committee was informed that, for the period from 1 June 1994 to 31 December 2001, the amount reimbursed was $6,400,764, the estimated amount owed was $14,803,577 and unliquidated obligations totalled $14,114,418. In respect of death and disability compensation for the period from 1 June 1994 to 31 December 2001, $19,976,920 had been paid as at 31 December 2001 for 439 claims, 4 claims were pending and unliquidated obligations amounted to $5,225,539.

8. The Advisory Committee was informed that as at 31 December 2001 the cash position of UNIFIL was $117 million and unliquidated obligations for the period from 1 July 2000 to 30 June 2001 amounted to $19,755,480, of which $12,773,352 were Government-related and $6,982,128 were not. Miscellaneous income for the period totalled $952,500 and comprised $541,900 relating to gains on exchange, $395,600 in general revenue, $14,900 for refunds of prior years' expenditure and $100 for royalties for the sale of medals. The total amount assessed on Member States for the period from 16 June 1993 to 31 March 2002 was $3,300.6 million, against which the payments received amounted to $3,184.8 million, leaving an outstanding balance of $115.8 million.

9. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 22 of the report. **The Advisory Committee recommends that the unencumbered balance of $23,343,100 gross ($22,922,900 net) for the period from 1 July 2000 to 30 June 2001, as well as the interest and other income in the amount of $12,482,000, be credited to Member States in a manner to be determined by the General Assembly.**

Information on performance for the current period

10. The Advisory Committee was also provided with information on performance for the current period. Against the authorized staffing establishment for the period from 1 July 2001 to 30 June 2002 of 4,057 troops, 144 international staff and 339 local staff, the positions encumbered as at 28 February 2002 were 3,649 troops, 130 international staff and 332 local staff. As at 28 February 2002, expenditure for the period amounted to $113,357,400 gross ($110,378,700 net).

Cost estimates for the period from 1 July 2002 to 30 June 2003

11. As indicated in paragraphs 1 and 2 of the report of the Secretary-General on the proposed budget of UNIFIL (A/56/893), estimated requirements for the period from 1 July 2002 to 30 June 2003 amount to $112,376,000 gross ($108,401,200 net), inclusive of budgeted voluntary contributions in kind amounting to

$333,500. The proposed budget represents a 17.9 per cent decrease ($24,440,100) in gross terms in relation to the apportionment for the period from 1 July 2001 to 30 June 2002 and reflects decreases of $30,379,300, or 35.5 per cent, in military personnel costs, $725,100, or 3.3 per cent, in operational requirements and $191,700, or 5 per cent, in staff assessment, offset by increases of $6,041,100, or 24.1 per cent, in civilian personnel costs and $682,600, or 194 per cent, in other programmes.

12. As indicated in paragraph 8 of the report, the budget proposal was prepared in accordance with the latest reconfiguration plan for the Force as outlined in the report of the Secretary-General of 16 January 2002 to the Security Council (S/2002/55), which involves reducing the troop strength of UNIFIL to approximately 2,000, all ranks, by January 2003. The estimated average troop strength for the budget period would be 2,527. The estimate also provides for 124 international staff and 305 local staff (see para. 10 above for current encumbency).

13. The proposed staffing level for the period reflects a decrease of 21 international posts and 34 local level posts, and the establishment of one P-3 level post for the Chief Medical Officer in the Office of Integrated Support Services, for a net decrease of 54 posts. Details concerning the posts to be abolished are given in paragraph 20 of the report. In this connection, the Advisory Committee recalls paragraph 11 of its report of 29 October 2001 (A/56/510 and Corr.1), in which it expressed concern that reductions in international staff posts in UNIFIL did not seem to be proportionate with reductions in military personnel. **However, in view of recent developments in the region, the Committee does not object to the level of staffing changes proposed.**

14. The Advisory Committee notes that the increase under civilian personnel is mainly attributable to the inclusion of a provision of $6,995,000 for the relocation of UNIFIL international staff from Israel to Lebanon (see A/56/893, annex I.C, para. 6, and annex II.A, item 10) on the basis of proposals prepared by the Department of Peacekeeping Operations. The Committee also notes, as indicated in paragraph 10 of annex I.C, that salaries for local staff are based on level 4, step 10, net of the salary scales applicable to Beirut effective 1 March 1998. Upon enquiry concerning the frequency of assessment of the salary scales, the Committee was informed that salary surveys were conducted annually and that the latest salary scale became effective on 1 July 2000. The estimated local staff salary for UNIFIL for 2002-2003 was nevertheless based on level 4, step 10, of the 1998 scale, which is roughly equivalent, in gross terms, to level 4, step 7, of the 2000 scale. A 5 per cent vacancy factor has been applied for international staff and, in view of past incumbency experience, no vacancy factor has been applied for local staff.

15. The action to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 3 of the report. **The Advisory Committee recommends that the Assembly approve the appropriation of the amount of $112,042,500 gross ($108,401,200 net) for the maintenance of the Force for the 12-month period beginning 1 July 2002, to be assessed at a monthly rate of $9,336,875 gross ($9,033,433 net), subject to a decision by the Security Council to extend the mandate of the Force.**